

## Estimation of public income in case of controlled distribution of Cannabis in Germany.<sup>1</sup>

With even very careful estimation we (DHV) assume a total of 1,4 Mrd. Euro (annual) income to public budgets in case of Legalization of Cannabis.

Due to insufficient data in Germany our estimation accords to studies and reports in neighbour countries (Switzerland, United Kingdom, Netherlands, Belgie).

### **1) Possible tax-income by direct taxation of Cannabis**

Method: calculation following estimations for Germany

There are estimated 3-7 millions Cannabis user in Germany.

WE refer to the official REITOX report of 2004 estimating a total of 3,8 mio User.

Following the Kleiber-Study the occasional user consumed about 3,4 gram a month; permanent users about 35 gram monthly. As the occasional users are a majority a realistic estimation seems to be approx. 1-2 gram per week.

This results to a total consumption of 198 to 396 tons Cannabis a year.

With an assumed average price of 6 Euro per gram the total turnover may be between 1,19 Mrd. Euro. bis 2,38 Mrd. Euro.

In legal structures half of this turnover could be diverted in favour of the public budget without rising prices as the risk of illegal dealing would vanish.

Compared with the taxation of cigarettes this calculation of possible 50% tax seems to be quite moderate.

This depends of course on the regulations on planting and import of Cannabis.

50% Cannabis- an Vat would add to a value of 595 Mio. to 1,19 Mrd. Euro.

(Amounts confiscated ref. to BKA-Annual Report

2002: Haschisch: 5.003,0 kg, Marihuana: 6.130,2 kg

2001: Haschisch: 6.863,1 kg, Marihuana: 2.078,7 kg)

### **2) Disappearance of repression expenditures**

see EBDD report.

### **3) Distribution, quality control**

There are about 800 coffee shops run in the Netherlands.

In relation to this in Germany there would be about 3000 points of distribution (already deducted the number of Cannabis -tourists to Netherlands).

With an approx. annual turnover of 59 kg to 118 kg at a price of 6.00 Euro per gram this would make 354.000 Euro to 708.000 Euro annual turnover per selling point.

This implies the set up of about 3000 new legal enterprises with approx.13.500 to 24.00 employees; they will pay minimum 47 Mio. income tax and 121,5 Mio to the Statutory Pension insurance Schemes.

For further information see

<http://hanfverband.de/index.php/themen/drogenpolitik-a-legalisierung/>

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<sup>1</sup> Deutscher Hanfverband e.V., Georg Wurth, <http://www.hanfverband.de/>